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SUBJECT: Deputy Secretary Steinberg's Meeting with Canadian Foreign
and Defence Policy Advisor Carriere

CLASSIFIED BY: Scott Bellard, PolMinCouns; REASON: 1.4(B), (D)

11. (U) October 22, 2009, 11:15 a.m., Ottawa, Canada.

12. (U) Participants:

United States

James Steinberg, Deputy Secretary

David Jacobson, U.S. Ambassador to Canada

Lourdes Cue, Special Assistant to the Deputy Secretary

Kurt van der Walde, notetaker

Canada

Claude Carriere, Foreign and Defence Policy Advisor to the Prime
Minister

Gordon Venner, Assistant Secretary to the Cabinet, Privy Council
Office

13. (C) Summary: Deputy Secretary Steinberg briefed Canadian
officials on U.S. deliberations on Afghanistan strategy and the
situation in Pakistan. He noted that the U.S. "has no illusions"
that Iran's short-term calculus in discussing low-enriched uranium
(LEU) necessarily reflects changes in its long-term aspirations
regarding a nuclear capability. The Deputy Secretary and Canadian
officials agreed on the importance of "smart" sanctions with
regard to Iran. On Honduras, the Deputy Secretary said that,
without some change in the current circumstances, it is hard for
the U.S. to imagine that the election will be accepted broadly in
the country and lead to a larger political resolution. He
described the Cuban regime as exhibiting a less confrontational
stance bilaterally, but cautioned that Cuba has not shown support
for changing the fundamental dynamic of the relationship. On
climate change, the Deputy Secretary told the Canadians that the
U.S. wants to show the world its seriousness and interest in
change that is meaningful and real, using concrete steps. Carriere
said Canada is serious about environmental responsibility but will
not make any commitments it cannot meet. The Deputy Secretary made
a special request to Canada to expedite its contribution to the UN
Relief Works Agency, calling the fiscal situation for the agency
"dire." End summary.

14. (C) Deputy Secretary Steinberg thanked Canada for its continued role in Afghanistan during his meeting in Ottawa on October 22 with Claude Carriere, Canadian Foreign and Defence Policy Advisor to the Prime Minister, and Gordon Venner, Assistant Secretary to the Cabinet, Privy Council Office, Foreign and Defence Policy Secretariat. Carriere underlined the important U.S.-Canadian partnership in Afghanistan and elsewhere in the world and expressed appreciation for the convergence of interests and values that promotes that partnership. Carriere observed that Senator Kerry's recent travel to Afghanistan was "ensuring the right outcome." The Deputy Secretary observed that, based on his long relationship with President Karzai, the Afghan leader is a man of "tremendous integrity" but someone who nonetheless viewed international pressure on him after the election as a "sign of disrespect" toward Pashtuns. The Deputy Secretary noted that Karzai's agreement to a run-off election "was not foreordained" and took a "real effort by the U.S. and Europeans." Carriere agreed, saying that by the time Prime Minister Harper called President Karzai on October 19, "he'd already been turned around."

15. (C) The Deputy Secretary underscored the importance of Pashtun participation in the run-off election. Carriere expressed hopes for an election that the Afghan people view as credible and representative and noted that the international community then needs to turn to governance issues. The Deputy Secretary responded that U.S. shares Canada's view on the importance of governance issues. He added that the U.S. and our allies in Afghanistan need to focus on "accountability and capability" by the Afghan government outside of Kabul. He underlined that the Taliban gained broad public support by providing stability and a form of justice. The Deputy Secretary said this task is "not unachievable" but will require a "changed dynamic" on the ground. Carriere observed that Canadian officials are frustrated because the news of "real progress doesn't get through to the public." The Deputy Secretary added that U.S. public opinion is "evenly divided" and the administration is seeing increasing challenges from Congress being linked solely to the number of troops that President Obama decides to send.

16. (C) Carriere noted that the French "seem to be prepared to step up" in Afghanistan, noting their willingness to hold a pledging conference. The Deputy Secretary agreed on the importance of emphasizing the multilateral nature of engagement in Afghanistan. Strong French, British, and Canadian involvement remind domestic audiences that the effort in Afghanistan is not just a U.S. project. Carriere shared that the French told Prime Minister Harper in a phone call on October 21 that they are not contemplating additional troops.

17. (C) Carriere observed that the "other element of the Afghan equation" is in Pakistan. The Deputy Secretary agreed and underlined that the U.S. is seeking to convince Pakistani leaders that they have created a category that does not exist- "'good' Taliban that only go West." Carriere shared that Canada has deep concerns about Pakistan's accountability for the aid it has received and continues to solicit through the Friends of Pakistan.

Venner underlined that Canada is troubled by the relationship between the Pakistan intelligence and security services and Iran. The U.S. has been clear in telling the Iranians that we reject any quid pro quo on Iran's nuclear program in return for a constructive attitude in Afghanistan and Pakistan, according to the Deputy Secretary. He added that the Iranians are "putting out lots of feelers" to S/RAP Holbrooke. The Deputy Secretary concluded that Iran's interests in Pak-Af are "not fully incompatible" with ours.

Iran

¶ 8. (C) Canada is "pleased" with international community's united front regarding Iran's nuclear ambitions, according to Carriere. He praised the Obama administration for engaging directly with Iran. The Deputy Secretary noted that the U.S. "has no illusions" that Iran's short-term calculus in discussing low-enriched uranium (LEU) means that it has necessarily changed its long-term aspirations regarding a nuclear capability. The U.S. believes that the next P5+1 message to the Iranians has to be that, even with progress on LEU, "we won't take the pressure off" on the larger issue. Carriere inquired about Russia's stance in negotiations with Iran. The Deputy Secretary noted that Secretary Clinton was just in Moscow and had a series of productive meetings but that Russia's views "remain to be seen." The Deputy Secretary added that he had just returned from China and in his discussions no one disagreed with the larger U.S. objectives. Nonetheless, he noted that an Iranian delegation to Beijing last week "did not feel sternly talked to." The Deputy Secretary reiterated that even as we remain unclear about Iran's current strategy, it does not mean that the international community "cannot change Iran's calculus."

¶ 9. (C) Venner (a former Canadian Ambassador to Teheran) inquired whether the U.S. believes we need "more concrete sanctions" to get Iran's attention. The Deputy Secretary expressed a preference for targeted, "smart" sanctions that hit key constituencies like the IRGChard but do not create a domestic public backlash in Iran. Venner pointed out that discussions of sanctions on refined petroleum products are likely to generate "economic rents" for the IRGC, which is heavily involved in smuggling. The Deputy Secretary demurred, saying he encountered the same argument in the Balkans during the early 1990s. He noted that the "bad guys did collect their rents" but that those sanctions did significantly undermine Milosevic. He hastened to add that "no one thinks it's a silver bullet, but it is useful to have on the table. Venner countered that "visa measures are the best way to get the regime's attention, but do we really want to cut off an entire generation from contact with the West?" The Deputy Secretary said it was unclear whether average Iranians would blame a visa ban on the West or their government.

Honduras

¶ 10. (C) Carriere observed that de facto Honduran President Robert Micheletti "really doesn't want to relinquish power" and inquired how the U.S. will "play the recognition of the elections." The Deputy Secretary said that under the current conditions it is hard for the U.S. to imagine that they will be accepted broadly domestically and lead to a larger political resolution that allows the country to move forward. Carriere expressed the view that the dispute seems to come down to personal enmity between Micheletti and deposed President Zelaya. The Deputy Secretary commented that

Zelaya has shown more flexibility in negotiations, but noted that the de facto government believes that "nothing will be worse for them by sitting on the ball," so it is hard to motivate them to take decisive action.

Cuba

¶11. (C) The Deputy Secretary described the Cuban regime as exhibiting a "certain pragmatism," especially in regard to the bilateral migration talks. He cautioned, however, that U.S. analysts believe Cuba is not interested in changing the fundamental dynamic of the relationship since it is so important to the regime's hold on power. Given the lack of reciprocity on the part of Cuba, the U.S. is limited in how it can continue to try to change the tone of the relationship. He did add that the administration is exploring greater openness in telecommunications. Venner noted that Canada had recently placed a military attachC) at the Canadian embassy in Havana.

Climate Change and Energy Security

¶12. (C) Carriere asked about the U.S. position on the Copenhagen climate change summit. The Deputy Secretary cautioned, however, that given the short time frame, there is no chance for a binding document to emerge. He said the U.S. wants to engage in a way that shows the world the U.S. is serious and interested in moving the process forward in a way that is meaningful and real. The U.S. wants to focus on concrete steps. The U.S. focus is in delivering on "our own domestic policy" and then seeking to have that reflected in our international efforts. Carriere pledged that

"Canada is with you in this." He reiterated that Canada wants to help, but that the Prime Minister has been "clear that Canada will make no commitments it cannot meet." The Deputy Secretary said the U.S. faces the same problem but is not using domestic politics as an excuse for "trimming its ambitions." Carriere affirmed that Canada is telling its petroleum industry that "environmental responsibility is equally important as energy security." The Deputy Secretary underscored that attacking climate change and assuring energy security should not be viewed a "trade off" but rather as complementary. Ambassador Jacobson commented that on his recent travels to the oil sands that message was starting to get through to producers. Carriere lamented, however, that we still have a long way to go since the "oil patch is still pretty negative" on the idea of lowering its carbon footprint. The Deputy Secretary underscored that "win-win opportunities exist."

Palestine and the UNRWA

¶13. (C) The Deputy Secretary made a special request to Canada to expedite its contribution to the UN Relief Works Agency, calling the fiscal situation for the agency "dire." Venner admitted that Canada has lagged, but said the UNRWA contribution is caught up in

a broader internal review of Canada's multilateral aid effectiveness. He underscored, nonetheless, that Canada does not envision cutting its level of support but is still deciding how to allocate it between core funding and humanitarian relief. Carriere acknowledged, however, that Prime Minister Harper has "serious" concerns about UNRWA's work, especially with regard to incitement and the content of school texts. The Deputy Secretary said the U.S. shares those concerns, but that the alternative to UNRWA's failure is to hand Hamas a major public relations opening. Venner said the fact that the U.S. has raised Canadian support for UNRWA at such a high level will be important in speeding a Canadian decision on its support.

¶14. (U) The Deputy Secretary cleared this message.
JACOBSON